

Gesa Credit Union
70th Annual Membership Meeting
Via Zoom at 51 Gage Blvd., Richland, WA 99352
April 13, 2023
6:00 p.m.

Call to Order

The 70th Annual Meeting of Gesa Credit Union was called to order at 6:00 p.m. by Chairperson Gregg Andrews. Gregg welcomed the members watching via live stream on Zoom video.

Quorum

Andrew Austin, Board Secretary, confirmed that the required quorum of 15 credit union members were present, verified by online attendance. A. Brotherton confirmed that 37 members attended the meeting virtually or in person. G. Andrews declared the 70th Annual Membership Meeting of Gesa Credit Union duly constituted and open for business.

Introduction of the Board of Directors

G. Andrews introduced the members of the Board and explained Gesa's Board of Directors is made up of credit union members. The Board meets monthly and provides strategic direction to Management while monitoring credit union performance.

Name	Position
Geof Griebel	Vice Chair
Andrew Austin	Secretary
Ben Basson	Board Member
Manuel Chavallo	Board Member
Linda Cowan	Board Member
Bob Follett	Board Member
Bill Melberg	Board Member
Dr. Jessica Schneider	Board Member
Brett Spooner	Board Member
Peter Smith	Board Member
Martin Valadez Torres	Board Member
Paul Korstad	Emeritus Board Member

The Credit Union's Supervisory Committee is responsible for ascertaining regular audits of the Credit Union's membership and financial records. Representing the Supervisory Committee, we have:

Name	Position
Kevin Sullivan	Committee Chairperson
Rob McFarland	Vice Chair
Matt Medlin	Secretary
Bob Hamm	Committee Member
Portia Singian	Committee Member

Meeting Rules

Karen Agar, Gesa's Sr. Executive Assistant, was introduced and duly appointed Recording Secretary of the 70th Annual Membership meeting. As Recording Secretary, Karen will be responsible for keeping a record of the official proceedings of this meeting.

Approval of Membership Meeting Minutes

Copies of the minutes from last year's Annual Membership Meeting have been placed on the Gesa.com website for the members to review. As there were no questions, G. Andrews called for a motion to approve the minutes of the 2022 Annual Membership Meeting as written and dispensed.

Amber Merrill moved to approve the minutes of the April 14, 2022, Annual Meeting as written. Brandon Allison seconded the motion, and there being no objections or comments from the members, the minutes were unanimously approved.

A video was then shared with the members featuring the Board Chair, the Supervisory Chair, the President and CEO, and the EVP of Risk highlighting Gesa's achievements and financial status during the 2022 calendar year.

Report of the Board Chair

Gregg Andrews shared the highlights of another successful year for Gesa Credit Union. He noted, "Under the guidance of the Leadership Team in 2022, Gesa remained financially stable and healthy, achieved record-setting giving to the communities, and provided exceptional service to Gesa's growing base of members. Gesa is well-positioned for a healthy 2023. In the 70 years since the Credit Union founders sat around a table and launched Gesa, perhaps the last three years have been among the most challenging to navigate, due to the COVID pandemic. But through it all, Gesa has continued to build on the strong financial performance and growth in membership. And it's not just the Gesa Board that recognized the wisdom of the leadership team; the credit union industry also called upon Gesa leadership to share their recommendations for how our peer credit unions can help their members weather the storm, as well." Gregg went on to say, "One of the things I love about the work we do at Gesa is the fact that, as well as our financials and membership numbers are, that's only half the equation. The other half we measure our performance on is the contributions to the communities we serve. And by any measure, 2022 was a banner year. Giving has always been a part of Gesa; in 2022, we deepened that commitment through the creation and launch of the Gesa Community Foundation. In its first year, the Gesa Community Foundation awarded 43 organizations over \$520,000 in grant funding to support our local healthcare workers, police, fire, educators, and veterans. We awarded our partner schools with over \$300,000 in support of student programs and education – bringing the program total to over \$1 million dollars donated by our members since 2015. And it is thanks to our generous members and our focus on education and support of Local Heroes I am honored to announce we gave over \$3.8 million to the communities we serve through the support of non-profit partners, events, local chambers of commerce, and education institutions. I'm proud of Gesa's accomplishments in 2022 and say with confidence as we enter our 70th year of business, it is a good time to be a Gesa member."

Report of the SC Chair

Kevin Sullivan, Supervisory Committee Chair, shared the following message, "The Supervisory Committee meets monthly and reviews the internal audits that are conducted regularly by the internal audit team and annually by the external DFI/NCUA Auditors. As we review the audits, we watch for changing practices and that teams are following the proper policies and procedures. In networking with our credit union peers, it seems as though we are always a little bit ahead of the pack, not only in what we do, but with our relationship with the Board and the Leadership Team. We create our own Strategic Plan that aligns with the Board and Management and put everything together to make sure it all fits with future goals. The Supervisory Committee feels Gesa has done an outstanding job safeguarding and maintaining the Credit Union's fiscal soundness and responsibilities for our members."

Report of The President & CEO

Don Miller shared the following message, "It isn't often that an organization entering its 70th year in business experiences a series of firsts. Thankfully for our members and the communities we serve, we continue to charter new ground. In the latter part of 2022, we launched our Gesa Community Foundation. Giving has always been a cornerstone for us, it's in our DNA. With the formation of the Foundation, we place additional rigor and concentration in the areas of education and support of the Local Heroes that make our communities better. Our Local Heroes Grant Program received more applications and gave more back to community members than any time in our history. We added two new school districts – one on each side of the mountains – to our affinity card program that provided more than \$300,000 to our participating school districts across the state. We were also honored to announce in November that our High School Credit Union Program made history as Washington's first Financial Sector Career Launch Endorsed Program.

Through Career Connect Washington, this certification allows dozens of students across our 12 high school campus branches to receive industry-recognized credentials, endorsing them as readily hireable for entry-level positions within the financial industry, helping to further their career. Our membership has grown to its highest level, as have many of the key financial metrics we manage. In 2022, Gesa surpassed 285,000 members across the United States. We set records this year in lending, exceeding \$2 billion in loans, providing our membership with the vehicles needed to get to and from work, helping our members consolidate debt through our low-rate credit cards, and we were able to come alongside nearly 1,200 members who reached their goal of homeownership this year. Through our partnership with Washington State University, millions of people locally and regionally learned more about Gesa, and our Marketing Team continues to increase our exposure to share the benefits we offer. In 2022, we saw more exposure for our brand than ever before, and we were honored to expand our branch network to Pullman to solidify our commitment to the region. What is not a first for Gesa is the strength of our over 780 team members throughout the state. When I think about all that has been required over the course of 70 years to build Gesa to the place it is today, I start with our team members – both past and present. An organization can only be as strong as the collection of its individual parts, and I'd like to thank our team members, our leadership team, and our Board for their unwavering commitment to our members and our growth."

FINANCIAL REPORT

Richard Waddle shared, "Gesa has sound underwriting practices in place, prudent expense management, and we make sure we are good stewards of our members' money, watching the bottom line and security for our members, not only in technology but also in products and services to meet our members' needs. Gesa is a not-for-profit organization, which means we put our members first - we don't make decisions maximizing the bottom line. Net income is our sole source of capital to continue to serve our members and grow the credit union. We need to grow our capital base to make sure we grow a strong balance sheet throughout 2023. Net income was strong last year, growing a little over \$600 million in total assets in 2022, along with a record lending year of over 58,000 loans to our members totaling over \$2.15 billion. Deposit growth slowed, [and] members were able to finally go on vacations and make some bigger purchases they had been putting off due to COVID restrictions from the previous two years. I am a firm believer that members speak with their feet. They were spending money, they were going on vacations and making some of those bigger purchases they've been putting off. So, a little slower on the deposits side, but strong asset growth overall. Gesa is one of the largest credit unions in the country and we have plans to continue to grow both our assets and grow our geographic reach across the Pacific Northwest. Part of that is making sure we have the tools in place and having the systems in place to ensure that we can grow in a safe and sound way. From a purely financial perspective, some of the things that we do is, we are always forecasting, we are always looking into the future. We're estimating what's going to happen with interest rates and with the economy, and we're doing the best we can to position Gesa well for the future."

BUSINESS OF THE MEETING

Unfinished Business – No unfinished business was declared.

New Business – No new business was declared.

Election of Board of Directors and Supervisory Committee Members

Andrew Austin, Board Secretary, reported the nominees for election and noted there are four vacant Board of Director positions, each for a three-year term. The following individuals agreed to present themselves for election and are nominated for the four Board positions: **Gregg Andrews, Ben Basson, Geof Griebel, and Bill Melberg.**

The following individuals agreed to present themselves for election and are nominated for the two Supervisory Committee positions, each for a three-year term: **Bob Hamm and Portia Singian.**

The candidates for the Board and Supervisory Committee open positions ran unopposed. Consequently, A. Austin declared all Board of Director and Supervisory Committee positions have been filled. Gregg Andrews, Ben Basson, Geof Griebel, and Bill Melberg have been elected by acclamation to the Board of Directors, each for a three-year term; and Bob Hamm and Portia Singian have been elected by acclamation to the Supervisory Committee, each for a three-year term.

Question & Answer Period

No questions were asked.

Adjournment

G. Andrews thanked the members for taking the time to participate in the Annual Meeting. As there was no further business for discussion, the 70th Annual Membership meeting of Gesa Credit Union was adjourned at 6:22 p.m.